

441—65.19(234) Monthly reporting/retrospective budgeting. This rule is effective only until the transition to simplified reporting is complete.

65.19(1) Budgeting cycle. Retrospective budgeting will base benefit calculation on the budget month which is the second calendar month preceding the issuance month.

65.19(2) Reporting responsibilities of monthly reporting households.

a. The department will supply the Public Assistance Eligibility Report, Form 470-0454 (computer issued), 470-0455 (manually issued), or 470-3719 (Spanish, manually issued) to the recipient as needed or requested. The department shall provide a postage-paid envelope for return of the Public Assistance Eligibility Report.

b. Households shall return the completed form to the local department office where the case is assigned by the fifth calendar day of the month which precedes the issuance month, when the form was issued in the department's regular end-of-month mailing. Households shall return the completed form to the local department office where the case is assigned by the seventh day after the date of the issuance of the form when the form was not issued in the department's regular end-of-month mailing.

c. Failure to return a completed form shall result in cancellation of assistance. A completed form is a form with all items answered, accompanied by verification as required in 65.19(14), and signed and dated by a responsible household member on or after the last day of the budget month. When the Public Assistance Eligibility Report is used and a person in the household is also required to report monthly for another public assistance program, the form shall also be signed by all individuals required to sign for that program to be considered complete.

65.19(3) Determination of eligibility. Eligibility will be determined on the basis of the household's prospective income and circumstances.

65.19(4) Public assistance income. The department shall consider family investment program and refugee cash assistance grants authorized for the issuance month in determining the household's eligibility and benefit level. The department shall count adjustive or corrective public assistance payments retrospectively.

65.19(5) Suspension. Suspension is not limited to households with a periodic increase in recurring income. Suspension may not occur for two consecutive months.

65.19(6) Households required to submit monthly reports. The following households must return monthly reports, unless exempted by federal regulation:

a. Households required to submit family investment program monthly reports.
b. Households with one or more members who have a recent work history.
c. Households with one or more members receiving countable unearned income which is not constant except when one or more of the following apply:

(1) The income is from job insurance benefits.
(2) The income is from educational income such as grants, scholarships, educational loans, fellowships or veterans' educational benefits.

(3) The income is from interest.

(4) The income is from occasional general assistance payments.

d. Households with one or more members receiving countable earned income except when one or more of the following apply:

(1) The earned income of each person is \$75 or less per month.

(2) The earned income is annualized self-employment income.

(3) The only source of earned income of a person receiving Supplemental Security Income (SSI) or Social Security Disability is from a sheltered workshop program.

65.19(7) Entering or leaving monthly reporting or a budgeting method due to a change in status. Notwithstanding anything to the contrary in these rules or regulations, a monthly report will be required for the budget month after the month the household reported a status change. Retrospective budgeting will begin in the month after the household reported the status change.

The department shall notify households who become exempt from monthly reporting within ten days of the date the department becomes aware of the change. This notification shall inform the household that they no longer have to file future monthly reports and will tell them when the change in budgeting,

if any, will occur. Prospective budgeting will begin the first issuance month the client does not submit a monthly report.

The department shall change the budgeting method of households who must report changes in ten days no later than the next month following the ten-day period for the worker to act and timely notice requirements.

65.19(8) Prospective beginning months. The department shall calculate benefits for eligible households prospectively for the two beginning months. When a household has applied for assistance from the family investment program or the refugee resettlement cash assistance program, and for food assistance benefits using Form 470-0462 or 470-0466 (Spanish), Health and Financial Support Application, the department shall allow a third food assistance beginning month. The department shall allow a third beginning month when the public assistance program's first "initial month" is the same calendar month as the second food assistance beginning month, and the third beginning month permits a simultaneous transition to retrospective budgeting.

65.19(9) Disregarded income for the first months of retrospective budgeting. Income considered prospectively for new household members or in the beginning months and not expected to continue shall not be considered again.

65.19(10) Action on reported changes. The agency will act on all reported changes for households required to submit monthly reports.

65.19(11) Actual or converted income. Calculation of benefits for households required to submit monthly reports will consider the actual income received or anticipated to be received in the budget month unless the income is annualized or prorated. Calculation of benefits for households not required to monthly report will use the actual or converted amount of income received on a weekly or biweekly basis for that benefit month.

65.19(12) Mailing of notices. All individual household notices of benefit amounts will be mailed separately from benefits.

65.19(13) Reinstatement. Reinstatement of the household canceled for failure to submit a complete monthly report will occur only when the otherwise eligible household submits a complete report by the end of the report month or by the extended filing date, whichever is later.

65.19(14) Verification of income. Notwithstanding anything to the contrary in these rules or regulations, a monthly report will be considered incomplete when it is not accompanied by verification of:

- a. Gross nonexempt earned income, including when this earned income starts or stops.
- b. Unearned income or prorated income or annualized income when this income starts, stops, or changes in amount. Verification of interest income, with a monthly report, is not required.

65.19(15) Return of verification. The agency will return all items of verification, submitted in the monthly reporting process, to the household.

65.19(16) Notice regarding reinstatement. The household which has received a Notice of Cancellation, Form 470-1968, shall be notified in writing of its status every time the department receives a monthly report form before the end of the "report month," or before the end of the extended filing period, whichever is later.

65.19(17) Additional information and verification. The household which has submitted a complete monthly report shall submit, or cooperate in obtaining, additional information and verification needed to determine eligibility or benefits within ten calendar days of the agency's written request.

65.19(18) Household membership.

a. Except for applications received during a period of time when the household was not certified to receive benefits, household membership shall be determined as it was or is anticipated to be on the first day of the issuance month. Changes in household membership occurring on or after the first day of the month which are reported during the month in which the change occurs will not be considered until the following month.

b. Except for qualified residents of a shelter for battered women and children, individuals shall not be added to the household before they are removed from another household where they were receiving benefits.

65.19(19) *Certification periods.* Households in which all members are receiving family investment program (FIP) cash assistance or family medical assistance program (FMAP)-related Medicaid will be assigned certification periods of 6 to 12 months. However, a certification period of less than 6 months may be assigned at application or recertification to match the food assistance recertification date and the public assistance review date.

Households in which one or more members are not receiving FIP cash assistance, or FMAP or FMAP-related medical assistance, and which are not required to file a monthly report will be assigned certification periods of one to six months based on the predictability of the household's circumstances except when the adult members are all 60 years of age or older with very stable income such as social security, supplemental security income, pensions or disability payments. These households shall be certified for up to 12 months.

65.19(20) *Households subject to retrospective budgeting.* Notwithstanding anything to the contrary in these rules or regulations, all households are subject to retrospective budgeting except:

- a. Migrant or seasonal farm worker households.
- b. Households whose adult members are all elderly or disabled with no earned income.
- c. Households in beginning months as outlined in subrule 65.19(8).
- d. Households in which all members are homeless individuals.
- e. Households residing on a reservation.

65.19(21) *Self-employment income for less than a year.* Notwithstanding anything to the contrary in these rules or regulations, self-employment income received over a period of less than a year shall be prorated over that period and used to calculate benefits only retrospectively. This income will be used prospectively to determine eligibility.